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In the Family Way: An exploration of family business resilience.

Abstract

Purpose: The purpose of the article is to explore the concept of resilience set within a family business context and the influences familiness and the nature of noneconomic factors such as interpersonal relations and relationship dynamics influence organisational performance. The work provides insights into the nature of resilience set within the context of a family business offering the potential for reframing resilience theory and practice.

Methodology: The article draws on a review of the extant literature in the areas of resilience and on the concepts of familiness as a means of developing a deeper understanding of the social-ecological system of the family firm.

Findings: The work reveals family business as a complex interrelationship between complimentary social-ecological systems. It highlights the nature of threats to family business and potential organisational responses but also adds to this the challenges of relational nature of familiness and how this presents additional layers of complexity in the decision-making process and in implementation. This article identifies the partial limitations of conventional managerial perspectives and highlights the challenge of adopting appropriate ontological and epistemological approaches for both interpreting organisational activities and implementing resilience systems within the business.

Limitations: The article draws on the literature that is dominated by western culture and may partially or not at all reflect the issues associated with organisational resilience in family firms with such backgrounds.

Originality: The article seeks to fill a knowledge gap by exploring the key elements of organisational resilience namely: resilience recognition, adaptability and transformation in context to familiness. The work calls for further research in to the alternative conceptual perspectives and deeper insights into the nature of familiness, its subtle backgrounds and foregrounds that establish the critical connections underpinning the nature of family relationship dynamics and how this in turn shapes and can subvert day-to-day management events that raises implications for resilience theory, practice and research.

Keywords: Organisational resilience, familiness, small and medium sized enterprises, sustainability, social-ecological systems, family business.
Introduction

Family businesses continue to be among the most common forms of business organisation today and a driving force behind the global economy. In Europe alone, there are more than 14 million family businesses generating more than 60 million jobs and accounting for 50% of GDP (EFB, 2017) reinforcing the role they play in job creation but also in fuelling innovation and technological progress (Oakey, 1991; Kobe, 2012 whilst accounting for over 70% of the world’s production (Ates & Bituci, 2011). They are by most measures an important element of any economy however; family businesses remain a persistent concern to policy makers who identify challenges associated with their sustainability and economic resilience. The vast majority of family businesses are small and medium sized enterprises (SMEs) but this can also include large conglomerates that operate in multiple industries and countries (Ramadani & Hoy, 2015). The greatest challenge facing SMEs is developing the capability of their people to influence and enact appropriate resilient strategies that build infrastructures which embrace change (Moore and Manring, 2009) and thereby promote long-term sustainability (Ates & Bititci, 2011). The key capabilities of paramount importance in making progress towards the sustainability of the SME socio-ecological system is that of recognition, adaptability and transformation (Folke, 2010).

Resilience is seen as a key organisational capability for sustainability in the current turbulent environment however there remain gaps in knowledge, particularly in relation to underlying issues affecting resilience that often relate more to the softer, less tangible aspects of an organisation such as its culture and leadership (Ates & Bituci, 2011). Much of the literature associated with resilience emphasises the responsiveness and adaptability of organisations to significant external events and changes in external environments. However, this article focuses on the role that sense-making and the shaping of action plays in development of the cultural and social capital critical to business success (Bourdieu, 1984, 1986) and the nature of familiness (Habbershon et al., 2003). This is particularly relevant for family businesses which can be seen to be comprised of three interlocking and interdependent systems, namely the family, the business and ownership (Taguiri & Davies, 1982/1996). Understanding the interdependence of the socio-ecological systems that underpin family businesses requires multiple levels of analysis and
cannot be fully explored if based solely on ownership structure or management roles (Sharma & Norquist, 2008). To understand resilient responses requires a focus on values and goals and their links and interaction with surrounding environments (Astrachan, et al. 2002; Astrachan & Shanker, 2003; Distelberg & Sorenson, 2009).

Exploring concepts of resilience and how it shapes organisational responses by focusing on the key elements of resilience, recognition, adaptability and transformation in context to familiness. The article highlights that the key to cultivating resilience lies in accommodating the deep relational structure that underpins many family business enterprises which can be more readily surfaced through an understanding of contextual cultural capital. Evaluating social-ecological systems by applying a rational neo-liberalist perspective can be ontologically and normatively constraining by overlooking, distorting and obscuring the complexity of the underlying value systems. Disturbance may not be a single significant external event that triggers a response, and what constitutes an appropriate response can be fundamentally at odds between the family, the owner and the business itself (Fleming, 2000; Levinson, 1971). For example, planning is generally recognised to be a key element of a resilient response, but it cannot be a superficial process and must take account of the deeper family values that are the bedrock of the family as an entity (Distelberg & Blow, 2010). We begin with a consideration of the concept of resilience.

**Resilience**

Originally, the concept of resilience emerged in ecological literature (Holling, 1973) and has evolved in the business context through the development of a heuristic model grounded in complex systems and seen as an adaptive cycle; growing, accumulating wealth, collapsing and rapidly reorganising (Salvia and Quaranta, 2015). Resilience is identified as the capacity of ecosystems with alternative attractors to persist in the original state through perturbations and disturbances (Falke, 2006; Scheffer, 2009). The effect of disturbance and perturbation can take a system over the threshold of stability of its original state, causing the system to change to a contrasting state emphasising the significance of ‘change’ through adaptation or even exaptation that move the ecosystems to a new position (Folke et al, 2010). Here resilience is a broader concept than robustness with the
latter referring to the ability to endure disturbances without adaption or by eventually returning back to the original state (Holling, 1996).

From a general social–ecological systems perspective resilience can be defined as:

"the capacity of a system to absorb disturbance and reorganise while undergoing change so as to still retain essentially the same function, structure, identity, and feedbacks"

(Walker et al., 2004, p.4).

However, only having a single discipline dependent definition of resilience is problematic as it over simplifies the concept and does not acknowledge the different context in which it can be applied. This highlights the need for a more pluralistic approach that the nature of resilience is context dependent and can be reinterpreted and contested. For example, some authors project resilience as a system’s capacity to absorb disturbance before it has to adapt to change (Cumming et al., 2005; Gunderson, 2000; Carpenter et al. 2001 Hearnshaw & Wilson, 2013) whilst others see resilience as the capacity to continuously engage in reconstruction (Lance, 2002; Hamel & Valikangas, 2003) and manage a range of variables (McDonald, 2006); others see the key quality of resilience as the action of a positive response that negates extended periods of regressive behaviour (Horne & Orr, 1998). Others promote resilience as conservatism (MacKinnon & Derickson, 2013; Sudmeier-Rieux, 2014) which is in stark contrast to a perspective where adaptation is a fundamental characteristic (Stark, 2014). Thorén (2014) even suggests that the concept of resilience is curiously unstable and could mean one thing and its opposite at the same time.

These different interpretations of resilience have led to much confusion as to its deeper meaning with a lack of consensus across a wide variety of definitions and interpretations (De Bruijne, Boin & Van Eeten, 2010). What is apparent is that the nature of context, substance and degree of complexity has relevance and that clear-cut states of stability and attraction can be seen to be an over simplification. Our world is dynamic and in part a complex environment creates disturbance and such events that are made up of a blend of intricate circumstances which may have many different causes and effects dependent on the nature of dispositions and responses (Scheffer et al. 2001, Carpenter, 2003). Resilience therefore is a multifaceted
phenomenon and dynamic process (Luthar, Cicchetti, & Becker, 2000) involving the ability to learn and positively adapt but as importantly for actors and systems to have the capability to cope and endure significant adversity (Fletcher & Sarkar, 2013). Such phenomena is affected not only by sociological, political, and economic functioning of social systems but also by cultural internal and external background (Hofstede & Bond 1984) providing a homeostatic device with the capability to maintain critical variables despite disruption and turbulence (Beer 1972, 1985).

Over recent decades resilience has to come to prominence, as the nature of organisations and the dynamics and complexities of the global and environmental landscape they work within has dramatically changed exposing them to borderless risk (Smith & Fischbacher, 2009) ranging from value chain disruptions, fluctuating markets, social confrontational change and natural disasters often characterised by unforeseen high-impact/low probability (HILP) events (Sheffi, 2005). HILP events create environmental turbulence or 'unpredictable change' (Boyne & Meier, 2009) exposing the organisation to risk, being the relative probability of an event occurring (Waters, 2007) and differing degrees of damages dependent on responses which could range from threatening elements of an organisations operation to its very survival. Such events have summoned the call for more coherent resilience strategies to address multiple, and potentially integrated levels including individuals, organisational, institutional and societal with differing degrees of impact and consequences but also exposing the potential of having severe consequences at one level but not being observed or felt at another.

What is certain is that the notion of resilience commits the user to a certain set of values and can be seen to be normative in nature and is based on far-reaching ontological and epistemological assumptions about the nature of the underlying system and how it is constructed and operated. What appears to have significance is the social system, its multilayers and the social components within which the entity operates and how the system is perceived and understood. The very concept of resilience does not define what action to take to provide a suitable outcome. For example, a civilian community exposed to war could present resilience as dispersing to live in another country or seeing the conflict through to the end; both are potential solutions to a materiel identical situation. Thus, migration can be seen as either a
successful adaption or collapse. In the context of a family business, internal family or inter-family feuds or divorce between key family members or even dispute between the founder and their children can all have different interpretations of success. For example, a family member employee developing a drug dependency will have an impact on the business but also produce a much greater legacy on different family members. As such judgements depend on the values and beliefs that shape the perspective of the actor participants and potentially their broader stakeholder communities, an aspect that has relevance in our analysis.

This does raise the nature of organisational vulnerability and how exposed and susceptible a social-ecological system is to risk and harm (Adger, 2006) and how it can respond to a potential range of impacts and moderate the effects on operability to perturbation (Gallopin, 2006). This area is highly complex and context dependent, linking to expectancy and the perception as to the degree of effect and level of response required to elevate perturbation and therefore values and beliefs. It can be seen to be dynamic in nature (Dalziell & McManus, 2004) as actors move through time and space and will relate to detecting, evaluating and acting on the threat in an appropriate and timely way. These are all dependent on the nature of the socioeconomic system, its culture, its social norms and the hegemonic interplay of its people. Here we can see how resilience links to a system’s robustness to change and that it is an element of both response and vulnerability, creating an adaptive capacity to respond and recover so that it can continue to achieve its purpose.

What appears to have significance in addressing abstract concepts like resilience is the nature of both the system’s ontology and heterogeneous values and their interplay as to defining what is perceived as important or central about the systems to which the concept is applied (Thorén & Olsson, 2018). For example, concerns have been expressed as to the way the concepts of resilience are repositioned in neoliberal discourse and governance (Chandler, 2012; Olsson, et al, 2015) and evaluating resilience, seeing neoliberal subjects as autonomous, responsible and rational. Such perspectives project resilience as disengaged and neutral, and are criticised as giving unwarranted scientific legitimacy to a one sided and economically functionalist neoliberalist perspective. This gives little countenance or obscures other values, interests and agendas and that they provide little room for intellectual and practical alternatives.
We can theorise resilience as adaptive-transformative processes (Buzzanell, 2010, 2018) that are triggered by disruption requiring change that initiates the crafting of new norms, the anchoring of important identities, exploiting salient communication networks. This supports adaptive thinking and alternative working activities that stimulates positive and productive foreground action and suppresses a background of unproductive behaviours. But who defines unproductive behaviours is of significance and therefore it is important to understand the intersubjective nature of the organisation micro, meso, and macro levels and how they influence individuals, communities, and organisation sense-making (Buzzanell, 2018; Cunliffe & Coupland, 2012; Weick & Sutcliffe, 2001). Therefore, to see deeply into the complexities of social systems there is a need to appreciate and share multiple interpretations of reality to cultivate a long-term shared vision that positivity transforms and transcends the inherent tensions to stimulate effective adaptation and transformation. This enables the social system to both address the initial dilemmas it currently faces but also, through a positive process of learning and adaptation (Edwards, 2009), to build systems that will help them survive and sustain in the future.

**Strategic Thinking and Decision Making**

A key element of resilience is the coherence and rigorous nature of an organisation's strategic thinking and decision making (STDM) capability within their leadership team. STDM can be challenging to any team and particularly family businesses as there is a need to detach themselves from the tactical turmoil of daily operational life (Garratt, 1995) so that they are relatively free from existing boundaries (Drejer & Vinding, 2007) which may constrain their individual and collective thought process. Leaders need to enact holistic and synthetic thinking developing a mindset that stimulates intuition and creativity (Mintzberg, 1993; Drejer & Vinding, 2007) that reflects the organization its business environment and imagine scenarios and strategy that provide innovative solution to the challenges they face. This involves thinking across time and understanding interconnectivity of past, present and future and to be intelligently opportunistic and focus on gaining strategic alignment between existing resources and emerging opportunities (Liedtka, 1998) but with an ultimately long term bias.
STDM is both the process of planning and thinking (Mintzberg, 1993; Drejer & Vinding, 2007) the realization of deeper psychological factors affecting the decisions themselves (Hambrick and Mason, 1984). It is more complex than problem solving as it is more holistic, abstract and long-term and its components are learnt reflectively not practically (Goldman, 2007; Goldman & Casey, 2010) and involve a combination of “rational and convergent approaches with creative and divergent thought” Bonn, (2005 p. 337) but also hypothesis oriented asking “what if?” to stimulate thinking (Liedtka, 1998), and identify critical success factors (Ghafarian & Kiani, 2010) that enable the generation of new innovations (Heracleous, 1998) to gain organizational competitive advantage (Arayesh, 2017) and provide organisational coherence (Porter, 1987).

STDM can be enhanced by a well-designed strategic management system (Thompson and Strickland, 1999) that includes environmental scanning, strategy formulation, strategy implementation, and strategy monitoring as well as controlling and evaluation (Wheelen and Hunger, 2012). However, there is a distinction between STDM and strategic planning (Mintzberg, 1994; Mintzberg et al., 1998) with the latter focusing on analysis, articulation and formalization of existing strategies whereas STDM is the conceptualization and visualization of future opportunities and the integration of different ideas to determine new goals and objectives (Bonn, 2005). Therefore, for the survival of the organization such capability must be nurtured to promote growth and adapt to disturbance and environmental changes (Schaper, et. al, 2014).

Sense-making is critical in the detection of threats particularly when operating in complexity with unpredictable, interconnected, conflicting and possibly distracting macro, meso and micro changes (Stacey, 1995, 1996) deepening the given nature of uncertainty (Milliken, 1987). This can also have a dispositional effect rather than strictly causal. Complexity can be seen to be the nature of the problem, not just the degree of difficulty (Stirzaker, Biggs, Roux & Cilliers 2010) summoning the need for a resilience system to embed the capability of detection of environmental disturbance to be weak signals levels (Snowden & Boone, 2007; Snowden, 2005). This is a challenging feat, to see the consequences of the unobvious as events unfold, this
has considerable significance and consequence on organisational learning, reinforcing the need for institutional ‘mindfulness’ (Weick & Sutcliffe; 2001, 2006) as well as the need to respond appropriately. Armed with such leadership awareness and commitment to intelligence gathering can help the organisation be more prepared and withstand systemic change and discontinuation. Importantly this builds the capability to adapt to new risk levels (Starr et al, 2003) and engenders stability, allowing systems to adapt more readily to new environments (Fiksel, 2006). It also places demands on personal resilience and values of the leadership team in that they evaluate and respond in appropriate ways that address the problem rather than make it worse or do nothing at all.

An organisation’s resilience capabilities can be enhanced by developing a proactive cross organisational learning system, one that fashions an adaptive capacity (Carpenter et al., 2001). By aligning and enhancing an organisation’s learning capability enables it to link and augment human agency and resources to more effectively and sustainably achieved its desired outcomes (Norris et al. 2008). This is achieved by creating an aligned knowledge system, one that has the adaptive capability to learning and devise appropriate approaches and behaviours to effectively respond to disruptions. Imbedding such capability within an organisation learning system further enhances its resilience capacity by enhancing it management and workforces’ readiness and experience to cope with future unknown disruptions (Staber and Sydow 2002). Therefore, building and embedding adaptive capacity within the culture of the system will enable the organisation to more positively engage with changes within their environment. Likewise, the very nature of disturbance and change will be felt less in terms of an impact on the system.

This can be challenging for many organisations however it is suggested that family businesses perform better conventional forms (Amann & Jaussaud, 2011) with the suggestion that they have broader family-based governance systems that are reliant on intricate family connections, according to the concept of ‘familiness’ (Habbershon and Williams 1999) therefore understanding the role the family and familiness has in influencing resilience is pertinent.
Familiness

Research has demonstrated that family firms can survive and thrive for very long periods of time (Bertrand & Schoar, 2006) suggesting that least some family businesses are especially resilient (Chrisman, Chua, & Steier, 2011) in contrast to more conventional businesses (Amann & Jaussaud, 2011). Further there is evidence that some firms evolve into family firms later in their life cycle (Chua, Chrisman, & Chang, 2004), it is also noted that the characteristics and behaviours of family firms are different from those of nonfamily firms and that there is also considerable variation among family firms across economic systems as they provide family resources that can be critical to new venture creation (Steier, 2007, 2009) which includes legacy and transgenerational sustainability and succession (Chrisman et al., 2010; Chua et al., 1999). The embedded nature of a family relationship ‘familiness’ with the business can provide unique and idiosyncratic firm level bundle of resources enacted through the interactions of family members and the business (Habbershon et al, 2003) which can be a source of competitive advantage (Arregle et al., 2007; Lorenzo and Lipparini, 1999). However, there is also an argument that family control and alternate agenda can lead to managerial entrenchment, that can enable ineffective family CEOs to remain in office (Gómez-Mejía, Núñez-Nickel, & Gutierrez, 2001; Morck, Wolfenzon, & Yeung, 2005) and that controlling families are prone to use their managerial control extract private benefits rather than to maximize firm value (Bertrand & Schoar, 2006).

The ‘familiness’ is an important concept for discussion in the context of a family-based firm (Chua, Chrisman, & Sharma, 1999; Dawson & Mussolino, 2014; Habbershon & Williams, 1999; Irava & Moores, 2010; Zellweger, Eddleston, & Kellermanns, 2010). Originally the concept familiness alluded to the resource-based perspective as a specific bundle of capabilities and resources unique to a business (i.e., the essence of the business) resulting from the multiple levels of involvement of a family (Habbershon & Williams). However this has been expanded to provide greater depth to the concept by applying social capital and systems theory (Arregle, Hitt, Sirmon, & Very, 2007; Habbershon, 2006; Habbershon, Williams, & MacMillan, 2003; Pearson, Carr, & Shaw, 2008; Weismeier-Sammer, Frank, & von Schlippe,
this has raise debate concerning what a family business is and the degree of influence, overtly or covertly, the family or key family members have on the strategic and day to day management of the business. What is apparent is that this highlights the uniqueness and added dimension of such business but also heterogeneity of family context (Chrisman, Chua, & Litz, 2003; Chua, Chrisman, Steier, & Rau, 2012; Nordqvist, Sharma, & Chirico, 2014; Sharma, 2004; Westhead & Howorth, 2006) and their impact on organizational identity. It is also noted therefore to capture the nature of what a family business is family involvement, organizational identity and essence familiness in terms of behaviours and expectations all need to be accounted for to provide an holistic understanding of the concepts and practice (Zellweger et al., 2010).

In part familiness presents a deep kinship and embedded trust which is an essential component of effective collaboration. It is suggested that there are two forms, fragile and resilient trust (Leana & Van Buren, 1999). Fragile trust is based on formal rules of allocation and reward more transactional in nature and therefore does not provide deep and embedded link to coherent collective action the organizational capabilities. Resilient build deep expectation, a moral integrity, which binds a group together (Dess and Shaw, 2001) establishing and reinforcing group norms and establish a cultural and social capital base. Family relationships are immersive in nature and grow and mature overtime which establish family norms as well as business norms, they also and present alternative, informal and recurring interactions the reinforcing an interdependency (Arregle et al., 2007) that is unlikely to be enjoyed by non-family members. They present alternative communication routes and narratives for example what may be considered valuable is not just profitability but factors determining the collaborative and moral nature of a successful family. The interactions are the building blocks for the social and cultural fabric (Bourdieu, 1986) and strength the groups relationships create a common point of view (Tsai & Ghoshal, 1998) and important can be weakened without it.

Further complexity can be revealed a multi-family multi-business context with the potential to expose differing personal, family and organizational identities (Cannella, Jones, & Withers, 2015) and the dynamic this creates in relation to strategy, operations and the hegemonic relationships of influence and control particularly
when business interests are not always aligned among members of a single family. For example, how, when, and why assets should be passed on to kin, when to take profits or loss exposing divergent interests and complex intergenerational challenges. Varied ownership patterns may also introduce conflicts among controlling family owners and between family owners and nonfamily owners, who hold minority stakes in the firm (Morck & Yeung, 2003). Further, governance challenges can become even more complex when owners or managers come from more than one family that may, or may not, be related or have different forms of relatedness through marriage.

What is evident is that to do business entrepreneurs develop proficiency in building relational structures to access external resources and capabilities (Burt, 1992). Firms are not born with familiness, being a firm is insufficient grounds to assume the presence of familiness (Irava & Moores, 2010), relational capability needs to be nurtured (Teece et al., 1997) and are continually forming and reforming in response to interactions instilling the family involvement as the essence of familiness (Chrisman et al. 2005, 2012). Essence relates to the embeddedness of the activities between the family and the business systems and how this nurtures a trans-generational vision that may preserve these values (Irava & Moores, 2010), therefore shapes communities of practice rooting culture, interactive process, belief and psychological intent of members as a common language. Communities of practice are “contexts where individuals develop their practices, including values, norms and identities appropriate to that community” (Handley et al., 2006, p. 642), this is a firm and family specific and cannot be easily copied (Buchholtz, Ribbens, & Houle, 2003; Hatch & Dyer, 2004; Kor & Leblebici, 2005) and provide a uniqueness embeddedness of family identity in the story of the business. Familiness can be paradoxical in nature having both positive and negative outcomes as a consequence of the distinctive and constrictive natures of familiness (Habbershon et al., 2003).

The major challenge for academics and practitioners alike is that although traditional corporate models recognize general stakeholder diversity, they do not adequately account for the various permutations of stakeholders and often diverse interests that manifest in family-influenced firms. Additionally, the literature focuses on developing structures for conventional solving problems at the family level and the business
level in a parallel fashion (Carlock & Ward, 2001), which may provide inadequate solutions summoning the need for insightful and deeper investigation in to how these socio-ecosystems and relationships interact, across multifamily and multi-business levels both explicit and implicit in nature.

Discussion

Based on the evidence presented in this review of the literature, several theoretical propositions relating to the nature of the family, the family business and organisational resilience can be raised. Taking an explorative approach, we highlight key elements within the literature base that can be examined within the scope of the study (Yin 2009).

The work identified that resilience can be applied to ecological systems (Holling, 1973), socio-ecological systems, communities and individuals (Burnard and Bhamra, 2011) that holds a dynamic property linking to a system's capacity of response (Gallopí´n 2006) that are determined by a set of dynamic capabilities and resources that form an organisations adaptive capacity (Norris et al. 2008) and ability to learn from disruptive events (Holling 2001).

Organisations systems are capable of self-organisation (Thietart and Forgues 1995) and can present a variety of responses to disruptions that can offers the potential for positive adjustment (Vogus and Sutcliffe 2007). However, the degree of disruption can dramatically increase complexity and environmental uncertainty (Comfort et al. 2001). Organisations have a range of stability landscapes that are composed of multiple stability domains (Walker et al. 2004) which present a diverse range of different stability states that can be operated.

System boundaries can be set within organisations that determining the degree of fluctuations within parameters (Levy 1994) thereby forming processes and dynamics that create and retain resources (Vogus and Sutcliffe 2007). This determines and enables activation of a range of appropriate resilient responses to a disruption to mitigate the disruption (Gunderson 2000, Walker et al. 2002) and reconfigure to address a threat (Burnard and Bhamra, 2011). It cannot be assured that a system is
in a desirable configuration to address a specific disruption which will have consequences, however key is that a resilient system is able to adapt and rebound. Through the enactment of an appropriate resilience response organisation will be able to learn and develop appropriate capabilities that improve future and overarching state preparedness (Burnard and Bhamra, 2011).

The literature points to a need for more sophisticated and strategic level of thinking with a focus towards developing sustainable adaptive systems that are capable of appropriate resilient actions in achieving a positive organisational adjustment, this has been made more acute as business environments have become more dynamic as the nature of organisational success has become fragile and subjective (Hamel and Valikanagas 2003) this includes facing the challenges of developing resilience capabilities that can adapt and cope with the consequences of organisational transformation. This highlights the importance of developing individual psychological capital (Youssef and Luthans 2007) to enhance personal resilience capability as well as, and distinctly different from, functional skills.

Familiness relates to idiosyncratic collections of capabilities resulting from the systems interactions (Habbershon et al., 2003) distinctive to a firm as a result of family involvement (Habbershon & Williams, 1999) a relational capability embedded with feelings and emotions (Morgan & Gómez-Mejía, 2014). Familiness builds socioemotional wealth (Berrone, Cruz, & Gómez-Mejía, 2012) and is heterogeneous in nature in leading the firm (Chirico & Nordqvist, 2010; Chrisman, Chua, Pearson, & Barnett, 2012), setting priorities linking to familiness agenda (Gómez-Mejía et al., 2007) that may be noneconomic objectives in line with the preferences of the dominant family coalition (Berrone et al., 2012), personal loss and grief, preserving the family essence and involvement (Chua, Chrisman, & Sharma, 1999), generational control intentions (Chua et al., 1999; Chrisman et al., 2005) sustaining family control and identity within the business and perpetuation of the family dynasty (Gómez-Mejía et al., 2007) all of which can engender deep and conflicting emotional entanglements and legacy. Familiness can be seen to be in the business but not of the business, having its own idiosyncratic uniqueness presenting a sub or alternate socio-ecosystem dynamic that is not fully overt or controllable through conventional and overt managerialist systems but that can subvert even the simplest strategy.
This raises the call for the conceptualisation of a framework that draws attention to both formal and informal channels operated by the family in a business context. Presenting social-ecosystems culturally embedded, entwined and reinforced through day-to-day social interactions between actors, across multiple levels and contexts, thereby presenting potentially differing agendas (Habbershon et al., 2003) and perspectives at the individual, family and organisational levels that can distort foreground and background activities.

To enable us to gain a deeper understanding of the complexities of a family business we need to devise a framework that identifies both a family and business culture as cohabiting elements complimenting but also competing for resources set within a broader civic cultural context. Familiness presence, experience and power is created and reinforced through the social interactions of family members generated through both formal and informal networks between family members, non-family members and their external stakeholders and broader environment reinforced by and reinforcing family social capital, reputation or status (Zellweger et al., 2012). Internally these networks create a community of practice providing reinforcing the social capital and emotional wealth within the organisation. This raises the call for a framework that identifies the formal foreground and explicit structures, process, systems and activities but that also surfaces the implicit background network systems, protocols and activities that are embedded within family business day-to-day life. Recognising that such foreground and background context combined effect that embellishes a complex network of interactions and events that can both compliment and contradict each other thereby either enhancing of detracting from the capabilities and resilience of the organisation.

Figure 1 expands on the formal and informal channels operated by the family in a business context can provide a deeper understanding of the influence of the family foci, which shapes the nature of familiness as an enduring and pervasive membrane mediating the family and individual family members relationship with the business.
The nature of familiness and the embedded relationships will produce relatively unique experiences to each member but build social cohesion within the dominant family epistemological and normative values and perspective. In addition, it will provide them with subtle knowledge, influence and hegemonic privilege that is both fully and partially hidden from non-family members. Familiness Mediation produces social systems and interactions reinforcing a family dialogue and presence both inside and outside of the business environment that presents a more complex social-ecological system that may not be exposed to non-family members and providing alternative interpretation of events, risk and disturbance. This can include sole and substantial family disturbance for example loss of a wife or a child to cancer to a key member of the family management team. Such events may be seen as background business but as a foreground to the family and specific members which will have a consequential impact on an individual’s life prioritisation, motivation, leadership and how they see the business this can also have secondary impact of initiating intra-interfamily rivalry. Such family disturbance can have a range of effects from taking attention away from the day to day operation, loss of strategic desire and focus to grow the business to the complete loss of interest in the business concerned. Such
impact clearly can have the effect of placing the business as a secondary or subsidiary element to the essence of the family.

Further, the diverse nature of family presence operating across multiple levels within the business and the family can circumvent conventional management processes and provide alternative narratives, agendas and perspectives that can shape decision making as it cognitively influences different family members within the business.

![Figure 2](image)

**Figure 2**

Through this mediated relationship resilience capability can be developed further (Figure 2) shaping the individual’s physical and HR capital developing their skill to recognise, adapt and transform in context to disturbance, building family and interfamily reliance knowledge sharing and network leverage, and thereby enhancing the business ‘Dynamic Capability’. The personal ability can help the individual navigate the business and its working environments as both formal and informal learning and mentoring. This has the potential of building greater ‘context specific’
proficiency as the individual family member learning the multiple ‘crafts’ in the employment of personal skills across multiple hemispheres of the social-ecological system effected. Effectively this embeds the established family norms is achieved through a socialisation and idiocultural process, sharing social norms through group interactions from which and the construction of strong relationships producing a shares and evolving understanding of the family essence and power structure.

This includes the fashioning of ‘Strategic Thinking’ but influenced from a family centric or influenced perspective, an aspect that may not be realised by non-family members linking to objectives that may have noneconomic objectives entwined within the strategy. In turn deep family support and harmony will be enhancing the individual’s ‘Personal Resilience’ building confidence, efficacy and fashioning a positive outlook. This in turn will influence the ‘Adaptive Capability’ of the organisation and its ability to resilience recognition, adaptability and transformation in context to both the business and the family. It is the combination of resilience of firstly, the family and secondly the business and how the former reacts to address the disturbance either directly or through the direction and employment of their agents ‘non-family members’ and the ‘Capital Resources’ they have in-hand to gain the appropriate ‘Resource Output’.

Conclusion

SME family businesses are complex and multidimensional in nature with interlocking and interdependent systems (Taguiri and Davies, 1982/1996; Bronfenbrenner, 1979) which can be conflicting, causal and dispositional in nature sensitive as to the way the family defines itself (Distelberg and Sorenson, 2009).

Conventional frameworks such as Burnard & Bhamra, (2011) “Resilient Response Framework” provide a descriptive account of events and actions that provide a construal of the underlying system and therefore in part is value laden that may project systemised rationality in building resilience within an organisation that can address the complexities of the social world and its descriptive simplicity may over simplify the very nature of disturbance, learning, social adaption and transformation. It brings forward a broader pluralist approach that recognises that representations
such as scientific theories, concepts, and models, are inherently partial (Kellert, Longino, & Waters, 2006; Thorén, and Olsson, 2018).

Such conventionalised frameworks can shift attention away from phenomena such as objectified, institutionalised and embodied state (Bourdieu, 1986) or the nature of social intersubjective interplays. Consequently, the value leaddness essence of the framework highlighting select features of our social world at the expense of others therefore needs greater focus towards the political and hegemonic nature of holders of different forms of capital and the power cultural and social capital exert need greater exploration (Levy et al., 2015) as it places great normative and/or ontological assumptions about that system and organisational being and the very nature of complexity. Further, that blanket prescriptions or generic tools can both over simplify and overgeneralize and can lead to conflicting outcomes (Miller, Minichilli, & Corbetta, 2013, p. 567).

Frameworks can be used to raise important insights and questions regarding resilience, yet the assumption that it is a natural property of a system provides it with an air of scientific and rational objectivity when resilience is primarily social systems or a system with social components (Thorén, and Olsson, 2018) with embedded social values. Due to the social nature the use of the concept and evaluation of success or not relies on the background normative and/or ontological homogeneity categorised assumptions which define suitable outcomes. However, such suitable outcomes are determined by perspective and therefore awareness of the underlying values that are an essential part which needs to be epistemologically grasped as actors negotiate their dilemmas and how these are culturally, socially and psychologically formed and have interplay at mico, meso and macro levels. This can suggest that the very notion of resilience, appreciating a pluralist approach and acknowledging the limits of that approach, needs to be tempered to accommodate the system. For example, social-ecological systems are complex adaptive systems (Bird & Tobin, 2017) from conventional ecosystems but also social systems and social-ecological systems are by nature far more complex requiring greater depth of scrutiny as to the nature of these systems. Applying ecosystem modules, frameworks and tools can be over simplifying the challenges and greater conceptual development of resilience is needed, exploring and highlighting the nature of the
system and its linkages to the firm-specific cultural and social capital as well as the external focus of what is disturbance. Accepting a broader ontological pluralist vision of the complexity underlying systems has relevance but it may be less productive in providing solutions.

This article contribution is that it identifies that, even though conventional resilience framework indicates the limitations of conventional managerial perspectives and highlights the challenge of adopting appropriate ontological and epistemological approaches for both interpreting organisational activities and implementing resilience systems within the family business.

The work highlights the need for an alternative conceptual perspective of the nature of familiness, its subtle backgrounds and foregrounds that establish the critical connections underpinning the nature of family relationship dynamics, and how this in turn shapes and can subvert day-to-day management events that raises implications for resilience theory, practice and research. Further, suggest that instead of focusing the development and application of generic frameworks new research needs to consider deeper questions as to what the challenges are facing the diverse nature of family ownership and control.

References:


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